



This Indenture made the 4th day of May, 1908. Between the Hydro-  
Electric Power Commission of Ontario, acting herein on its own behalf  
and with the approval of the Lieutenant-Governor-in-Council, (here-  
inafter called the Commission), party of the First Part, and The  
Municipal Corporations of Toronto, London, Guelph, Stratford, St.  
Thomas, Woodstock, Berlin, Galt, Hespeler, St. Marys, Preston, Water-  
loo, New Hamburg, and Ingersoll, (hereinafter called the Corporations),  
parties of the Second Part.

Whereas pursuant to "An Act to provide for transmission of electrical power to municipalities," the Corporations applied to the Commission to transmit and supply such power from Niagara Falls, and the Commission entered into contracts, hereto attached, with the Ontario Power Company of Niagara Falls, (hereinafter called the Company), for such power at the prices set forth in the schedule, hereto attached, and the Commission furnished the Corporations with estimates, as shown in the schedules of the total cost of such power, ready for distribution within the limits of the Corporations, and the electors of the Corporations assented to By-laws authorizing the Corporations to enter into a contract with the Commission for such power, and the Commission have estimated the line loss and the cost to construct, operate, maintain, repair, renew and insure a line to transmit, nominally, 30,000 horse power with total capacity of 60,000 horse power of such power to the Corporations, and have apportioned the part of such cost to be paid by each Corporation as shown in said schedule;

Now therefore this Indenture witnesseth that in consideration of the premises and of the agreements of the Corporations herein set forth, subject to the provisions of said Act and of the said contracts, the Commission agrees with the Corporations respectively:—

1.—(a) To construct a line to transmit the quantities of electric power, shown in column 2 of the said schedule from Niagara Falls to the Corporations shown in column 1, respectively.

(b) On the 19th day of March, 1910, or on any earlier day on which the Commission shall be prepared to supply the same, to supply said power in quantities set forth in column 2 of said schedule, or as a minimum 40 per cent. less, if written notice of minimum required is given on or before 19th July, 1909, to the Corporations within the limits thereof, ready for distribution at approximately the number of volts set forth in column 4 of said schedule, and approximately 25 cycles per second frequency.

(c) At the expiration of three months' written notice, which may be given by the Corporations or any of them from time to time during the continuance of this agreement, to supply from time to time to the Corporations in blocks of not less than 1,000 horse power each, additional power until the total amount so supplied shall amount to 30,000 horse power.

(d) At the expiration of nine months' like notice which may be given by the Corporations or any of them from time to time during the continuance of this agreement, to supply from time to time to the Corporations in blocks of not less than 1,000 horse power each, additional power until the total amount so supplied shall amount to 100,000 horse power.

(e) To use at all times first-class, modern, standard, commercial apparatus and plant and to exercise all due skill and diligence so as to secure the most perfect operation of the plant and apparatus of the Corporations.

In consideration of the premises and of the agreements herein set forth each of the Corporations for itself, and not one for the other, agrees with the commission :

2.—(a) Subject to the provisions of paragraph 2 (g), hereof, to pay the Commission for the quantities of power shown in column 2 of said schedule, or 40 per cent. less as a minimum, to be supplied at said date, and for such additional power supplied or held in reserve upon such notices, the price set forth in column 3 of said schedule in twelve monthly payments, in gold coin of the present standard of weight and fineness, and bills shall be rendered by the Commission on or before the fourth and paid by the Corporation on or before the fifteenth of each month. If any bill remains unpaid for 15 days, the Commission may, in addition to all other remedies and without notice, discontinue the supply of such power to the Corporations in default until said bill is paid. No such discontinuance shall relieve the Corporation in default from the performance of the covenants, provisions, and conditions herein contained. All payments in arrears shall bear interest at the legal rate.

(b) To take electric power exclusively from the Commission during the continuance of this agreement; provided, if the Commission is unable to supply said power as quickly as required, the Corporations may obtain the supply otherwise until the Commission has provided such supply, thereupon the Corporations shall immediately take from the Commission; and the Corporations may generate, store or accumulate electric power for emergencies, or to keep down the peak load of the power taken from the Commission; and nothing herein contained shall effect existing contracts between the Corporations and other parties for a supply of electric power, but the Corporations shall determine said contracts at the earliest date possible.

(c) To pay, annually, interest at four per cent. per annum upon its proportionate part of the moneys expended by the Commission on capital account for the construction of the said line, transformer stations and other necessary works, shown, respectively, in column 6 of said schedule, subject to adjustment under paragraph 10.

(d) To pay an annual sum for its proportionate part of the cost of the construction of said line, stations and works, shown, respectively, in column 6 of said schedule, subject to adjustment under paragraph 10, so as to form in thirty years a sinking fund for the retirement of the securities to be issued by the Province of Ontario.

(e) To bear its proportionate part of the line loss and pay its proportionate part of the cost to operate, maintain, repair, renew and insure the said line, stations and works, shown, respectively, in column 7 of said schedule, subject to adjustment under paragraph 10.

(f) To keep, observe and perform the covenants, provisoes and conditions set forth in said contracts, intended by the Commission and the Company to be kept and observed and performed by the Corporations.

(g) To pay for three-fourths of the power supplied and held in reserve at said date and upon said notices, whether the said power is taken or not, and when the greatest amount of power taken for twenty consecutive minutes in any month shall exceed three-fourths of the amount during such twenty consecutive minutes, so supplied and held in reserve, to pay for this greater amount during that entire month. When the power factor of the greatest amount of power taken for said twenty minutes falls below 90 per cent., the Corporations shall pay for 90 per cent. of said power divided by the power factor.

(h) To take no more power than the amount to be supplied and held in reserve at said date and upon said notices.

(i) To use at all times first-class, modern, standard, commercial apparatus and plant to be approved by the Commission.

(j) To exercise all due skill and diligence so as to secure the most perfect operation of the plant and apparatus of the Commission and the Company.

3. If, as therein provided, the said contracts are continued until 19th December, 1939, this agreement shall remain in force until that date.

4. Said power shall be three phase, alternating, commercially continuous twenty-four hour power every day of the year except as provided in paragraph 6 hereof, and shall be measured by curve-drawing meters, subject to test as to accuracy by either party hereto.

5. The engineers of the Commission, or one or more of them, or any other person or persons appointed for this purpose by the Commission, shall have the right from time to time during the continuance of this agreement to inspect the apparatus, plant and property of the Corporations, and take records at all reasonable times on giving to the Corporation six hours' notice of the intention to make such inspection. The Corporations shall have a like right on giving a like notice to inspect the apparatus, plant and property of the Commission.

6. In case the Commission or the Company shall at any time or times be prevented from supplying said power, or any part thereof, or in case the Corporations shall at any time be prevented from taking said power, or any part thereof, by strike, lock-out, riot, fire, invasion, explosion, act of God or the King's enemies, or any other cause reasonably beyond their control, then the Commission shall not be bound to deliver such power during such time and the Corporations shall not be bound to pay the price of said power at Niagara Falls during such time, but the Corporations shall continue to make all other payments, but as soon as the cause of such interruption is removed the Commission shall without any delay supply said power as aforesaid and the Corporations shall take the same and each of the parties hereto shall be prompt and diligent in removing and overcoming such cause or causes of interruption.

7. If, and so often as, any interruption shall occur in the service of the Company due to any cause or causes, other than those provided for by the next preceding paragraph hereof, the Commission shall recover and pay to the Corporations as liquidated and ascertained damages and not by way of penalty, as follows:—For any interruption less than one hour double the amount payable for power which should have been supplied during the time of such interruption; and for any interruption of one hour or more, the amount payable for the power which should have been supplied during the time of such interruption and twelve times the last mentioned amount in addition thereto, and all moneys payable under this paragraph when the amount thereof is settled between the Commission and the Company may be deducted from any moneys payable by the Corporations to the Commission, but such right of deduction shall not in any case delay the said monthly payments.

8. The maintenance by the Commission of approximately the agreed voltage at approximately the agreed frequency at the sub-station in the limits of the Corporation shall constitute the supply of all power involved herein and the fulfilment of all operating obligations hereunder; and when voltage and frequency are so maintained, the amount of the power, its fluctuations, load factor, power factor, distribution as to phases, and all other electric characteristics and qualities are under the sole control of the Corporations, their agents, customers, apparatus, appliances and circuits.

9. In case any municipal corporation, or any person, firm or corporation which shall contract with the Commission or with any municipal corporation for a supply of power furnished to the Commission by the Company shall suffer damages by the act or neglect of the Company, and such municipal corporation, person, firm or corporation would, if the Company had made the said contracts directly with them, have had a right to recover such damages or commence any proceedings or any other remedy, the Commission shall be entitled to commence any such proceeding or bring such action for or on behalf of such municipal corporation, person, firm, or corporation, and notwithstanding any acts, decision or rule of law to the contrary, the Commission shall be entitled to all the rights and remedies of such municipal corporation, person, firm or corporation, including the right to recover such damages, but no action shall be brought by the Commission until such municipal corporation, person, firm or corporation shall have agreed with the Commission to pay any costs that may be adjudged to be paid if such proceeding or action is unsuccessful. The rights and remedies of any such municipal corporation, person, firm or corporation shall not be hereby prejudiced.

10. The Commission shall at least annually adjust and apportion the amounts payable by municipal corporations for such power and such interest, sinking fund, line loss, and cost of operating, maintaining, repairing, renewing and insuring the line and works.

11. If at any time, any other municipal corporation, or pursuant to said Act, any railway or distributing company or any other corporation or person, applies to the Commission for a supply of power, the Commission shall notify the applicant and the Corporations, parties hereto, in writing, of a time and place and hear all representations that may be made as to the terms and conditions for such supply.

Without discrimination in favor of the applicants as to the price to be paid, for equal quantities of power, the Commission may supply power upon such terms and conditions as may, having regard to the risk and expense incurred, and paid, and to be paid by the Corporations, parties hereto, appear equitable to the Commission, and are approved by the Lieutenant-Governor-in-Council.

No such application shall be granted if the said line is not adequate for such supply, or if the supply of the Corporations, parties hereto, will be thereby injuriously affected, and no power shall be supplied within the limits of a municipal corporation taking power from the Commission at the time of such application, without the written consent of such corporation.

In determining the quantity of power supplied to a municipal corporation, the quantity supplied by the Commission within the limits of the corporation to any applicant, other than a municipal corporation, shall be computed as part of the quantity supplied to such corporation, but such corpora-

tion shall not be liable to pay for the power so supplied, or otherwise in respect thereof. No power shall be supplied by any municipal corporation to any railway or distributing company, or any other corporation or person without the written consent of the Commission.

12. It is hereby declared that the Commission is to be a trustee of all property held by the Commission under this agreement for the Corporations and other municipal corporations supplied by the Commission, but the Commission shall be entitled to a lien upon said property for all moneys expended by the Commission under this agreement and not repaid. At the expiration of this agreement the Commission shall determine and adjust the rights of the Corporations and other municipal corporations, supplied by the Commission, having regard to the amounts paid by them, respectively, under the terms of this agreement, and such other considerations as may appear equitable to the Commission and are approved by the Lieutenant-Governor-in-Council.

13. Each of the Corporations agrees with the other:—

(a) To take electric power exclusively from the Commission during the continuance of this agreement, subject to the provisoes above set forth in paragraph 2 (b).

(b) To co-operate, by all means in its power, at all times, with the Commission, to increase the quantity of power required from the Commission, and in all other respects to carry out the objects of this agreement and of the said Act.

14. If differences arise between the Corporations the Commission may upon application fix a time and place to hear all representations that may be made by the parties and the Commission shall, in a summary manner, when possible, adjust such differences and such adjustment shall be final. The Commission shall have all the powers that may be conferred upon a Commissioner appointed under The Act respecting Enquiries concerning Public Matters.

15. This agreement shall extend to, be binding upon and enure to the benefit of the successors and assigns of the parties hereto.

In witness whereof the COMMISSION and the CORPORATIONS have respectively, affixed their corporate Seals and the hands of their proper officers.

THE HYDRO-ELECTRIC POWER COMMISSION  
OF ONTARIO.

## SCHEDULE.

Column 1.	2.	3.	4.	5.	6.	7.
Name of Municipal Corporation.	Quantity of power applied for in H. P.	Maximum price of power at Niagara Falls.	No. of volts.	Estimate maximum cost of power ready for distribution in municipality.	Estimate proportionate part of cost to construct transmission line, transformer stations and works for nominally 30,000 H. P., with total capacity of 60,000 H. P.	Estimate proportionate part of line loss and of part cost to operate, maintain, repair, renew and insure transmission line, transformer stations and works for nominally 30,000 H. P., with total capacity of 60,000 H. P.
Toronto.....	10,000	\$9.40 for power at 12,000 volts until 25,000 H. P. or more are taken, then \$9.00 for all. \$10.40 for power at 60,000 volts until 25,000 H. P. or more are taken, then \$10.00 for all. If power taken at higher voltage, price to be fixed by arbitration.	Number required by each corporation.	\$18.10	\$828,080	\$38,970
London.....	5,000			23.50	671,089	31,578
Guelph.....	2,500			24.00	347,420	16,350
Stratford.....	1,000			27.10	173,580	8,120
St. Thomas.....	1,500			26.50	244,140	11,490
Woodstock.....	1,200			23.00	155,350	7,310
Berlin.....	1,000			24.00	138,970	6,540
Galt.....	1,200			22.00	143,920	6,773
Hespeler.....	300			26.00	63,200	2,974
St. Mary's.....	500			29.50	95,677	4,502
Preston.....	600			23.50	80,530	3,789
Waterloo.....	685			24.50	98,460	4,630
New Hamburg...	250			29.50	47,830	2,251
Ingersoll.....	500	24.00	69,485	3,270		